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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

SPECIAL SERVICES FEES
AND CLASSIFICATIONS

Docket No. MC96-3

MAJOR MAILERS ASSOCIATION'S RESPONSE
TO THE POSTAL SERVICE MOTION
FOR RECONSIDERATION

Major Mailers Association opposes the Postal Service's request
for reconsideration of Order No. 1120.

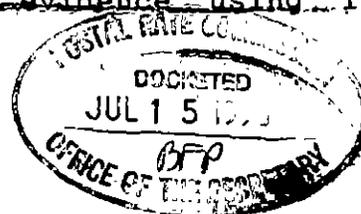
SUMMARY

Yogi Berra used to say, when describing a repetitive event:
"It's deja vu, all over again." That is also true here. For the
second time in twenty-five months, the Service asks the Commission
to reconsider an Order directing production of a cost study using
the Commission-approved method for attributing city carrier access
costs. Because of time constraints, the Service's intransigence
can be confronted better in Docket No. MC96-3 than in a general
rate case. If the Commission waits for the next general rate case,
the Commission will be pressed again to side-step the issue because
of the Service's need for revenue relief without delay.

DISCUSSION

- A. The Service's Motion Is A Replay
of The Refusal To Comply With A
Similar Commission Order In Docket R94-1

The present controversy is a replay of a dispute that was
supposedly resolved in Docket No. R94-1. There, as here, the
Postal Service filed its cost evidence using its preferred



methodology for assigning city carrier access costs. The Service did not disclose what its costs would be under the Commission-approved methodology. Noting this, MMA filed interrogatories asking the Service to supply information showing those undisclosed costs.

In Ruling No. R94-1/8 the Presiding Officer ordered the Service to answer MMA's interrogatories. In later rulings, the Presiding Office reaffirmed the importance of MMA's request, noting that the requested cost information was part of the Service's "legal burden...to demonstrate" and the "legitimate need of the parties to know" (P.O. Ruling R94-1/38, pp. 2, 4). Although eventually this information was provided by the Commission itself instead of by the Postal Service, the Presiding Officer's Ruling No. R94-1/38 rejected many of the contentions that the Postal Service repeats in its pending request for reconsideration.¹ The Service's current request for reconsideration is no more worthwhile than its prior one.

**B. Because of The Time Limits For Deciding
General Rate Cases, this Limited Rate
Case Is the Best Forum For Confronting
the Postal Service's Intransigence**

In general rate cases like Docket No. R90-1, the Commission

¹ The Presiding Officer found that the Service's assertions of "undue burden" were "not credible" and "defie[d] credibility" (P.O. Ruling No. R94-1/38, pp. 7-8). The Presiding Officer also observed that the Service's contentions that its experts would not know how to apply the Commission-approved methodology "are not credible assertions" (*Id.* at 7). For a detailed analysis of court decisions holding that it is not an undue burden to require parties like the Service to compile studies and perform research, see MMA's Response to the Postal Service's Motion for Resconsideration in Docket No. R94-1, pp. 4-7.

will always be under pressure to avoid resolving the confrontation with the Postal Service over this issue.

If the Commission fails to confront the issue in this proceeding, there is no doubt about the consequences. The Postal Service will file its next general rate case--as it did in Docket Nos. R94-1, MC95-1, and this case--without using the Commission-approved costing method. As it did in those cases, the Service will oppose requests to provide cost information showing the effect of the Commission's methodology. If the Commission orders it to produce the information, the Service will file another request for reconsideration.

And the Commission may feel constrained to side-step the issue once again. In any general rate case, as in Docket No. R94-1, the Service is likely to be in great need of the proposed revenue increase. The Commission will feel compelled to provide urgent relief within the Act's 10 month time period (39 USC §3624(c)(1)).

No such sense of urgency attaches to this Docket No. MC96-3 proceeding. The Postal Service's current revenues exceed its costs, and they will do so for the near future. In any event, in Docket No. MC96-3, the Postal Service proposes higher rates for only a few minor services, with minimal revenue impact. In these circumstance, the Commission will be free to extend the 10 month time period--as Section 3624(c)(2) contemplates--if the Postal Service "unreasonably delay[s] consideration of [its] request...by failing to respond within a reasonable time to [a] lawful order of the Commission..." (39 USC §3624(c)(2)).

This Docket thus presents the Commission with a rare

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opportunity to vindicate its principles, and the Commission should seize it.

THEREFORE, MMA requests the Commission to deny the Postal Service's request for reconsideration of Order No. 1120.

Respectfully submitted,



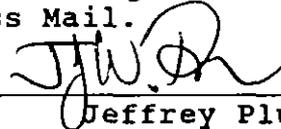
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July 15, 1996

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document (1) upon the U.S. Postal Service by hand delivery and (2) upon the other parties by First-Class Mail.



Jeffrey Plummer

July 15, 1996